(5)
2816

DocID 6549506 ~~TOP SECRET~~

D

ARMED FORCES SECURITY AGENCY

DF-229

130/50/TOPSEC/AFSA-14

Copy No. 1

From: AFSA-14

To: AFSA-14

RETAIN CLASSIFICATION
REVIEW 01 Sep 2012
AUTH: NSA DECLASS. GUIDELINES
DATE: 1 Sep 82 REVIEWER: HEV

Do NOT Destroy Return to the
NSA Technical Library when no longer needed
5-4161 TL 4

Declassified by NSA/CSS
Deputy Associate Director for Policy and Records
On 20150123 by Kam

~~TOP SECRET~~

DocID 6549506

~~TOP SECRET~~

DF-229

130/50/TOPSEC/AFSA-14

THREE REPORTS ON THE WORK OF OKW/CHI

1. Attached is an Armed Forces Security Agency translation of three reports written in German on the work of OKW/Chi, namely:

A. The Cryptologic Agency (Chiffrierabteilung) in OKW;
B. Memorandum on the Secret Diplomacy of 1944/1945;
C. France and the World 1944/1945.

2. Authorship of the document and the purpose for which it was written are not known. The material presented, however, is believed to be of considerable interest.

3. Recipients of the document are warned that the history of OKW/Chi as given in the first of these reports is far from complete, and is not accurate in its details. A comparison with the detailed organizational history of OKW/Chi which was written by former Ministerialrat FENNER (DF-187A), and with the documentary history of OKW/Chi which was issued as DF-201 will reveal the inaccuracies of the present document.

4. A photostatic copy of the three reports is filed with the Technical Division of the Armed Forces Security Agency (AFSA-14).

Translated: AFSA-254
Revised and edited: AFSA-14 (MCL, WJH)

35 copies

Distribution: Normal

65 pages

Declassified by NSA/CSS
Deputy Associate Director for Policy and Records
On 20150123 by kam

~~TOP SECRET~~

DocID 6549506

TABLE OF CONTENTS

	Pages
THE CRYPTOLOGIC AGENCY (CHIFFRIERABTEILUNG) IN OKW	5-25
I History	5
II Functions	7
III Organization	8
Cross-connections with Other Goverument Offices	11
IV Method of Work	12
1. Source Material	12
2. Work in the Individual Groups	12
Group I	12
Group II	13
Group III	13
Group IV	14-20
Ober Reg Rat ROHEN--USA, Great Britain, Ireland, British Empire	14
Ober Reg.Rat MÜLLER--France, Switzerland	15
Angst. NOVOPASCHENNY--Russia	16
Ober Reg. Rat RAFFL--Italy	16
Reg. Rat KIEFER--Spain, Portugal, South America	16
Reg. Rat LOCKER--Turkey	17
Min. Rat SEYFFERT--Greece, Vatican	17
Reg. Rat ROTTER--Bulgaria	17
Major LENSCHAU--Roumania	18
Oblt. ADLER--Japan, China	18
be. B. BERND--Poland	18
Min. Rat WENDLAND--Croatia, Yugoslavia	19
Reg. Rat WEVERINCK--Scandinavia	19
Fm. SCHAEDEL--Archive	19
Group X	20
Group Z	20
V Personnel	20
VI List of Decrypted Systems	24
MEMORANDUM ON THE SECRET DIPLOMACY OF 1944/1945	26-59
A. Comments	26
B. Policies of Various Countries	26
1. Abyssinia	26
2. Egypt	27
3. Albania	28
4. Argentina	28
5. Australia	29
6. Belgium	29
7. Brazil	29
8. Bulgaria	30
9. Canada	32
10. China	32
11. Denmark	33
12. Germany	33
13. Finland	34
14. France	35
Vichy	35
DE GAULLE	36
*14. Greece	40

* The erroneous numbering of the original report has been retained. See within page 40.

DocID 6549506

15.	Great Britain	41
16.	Iran	43
17.	Italy	44
18.	The Kingdom	44
	Fascist Socialist Republic	44
18.	Japan	44
19.	Yugoslavia	45
20.	Croatia	46
21.	Mexico	47
22.	Norway	47
23.	Austria	48
24.	Poland	48
25.	Portugal	50
26.	Roumania	51
27.	Saudi Arabia	52
28.	Sweden	52
29.	Switzerland	53
30.	Slovakia	53
31.	Soviet Union	53
32.	Spain	55
33.	South Africa	55
34.	Syria and Lebanon	56
	* * *	
*[36.	Hungary	56]
	The Vatican	57
	The United States	57

FRANCE AND THE WORLD 1944/1945 60-65

Preface	60
The United States and France	60
Great Britain and France	63
Soviet Union and France	64
Germany and France	65

---

* One page (p. 18) is missing in the photostatic copy of the manuscript available. The document continues on page 19 with a discussion of Hungary.

DocID 6549506

DF-229

130/50/TOPSEC/AFSA-14

THE CRYPTOLOGIC AGENCY (CHIFFRIERABTEILUNG) IN OKW

10 August 1945

I. History

Shortly after the First World War a special Cryptologic Agency (Chiffrierabteilung) was newly established in the Ministry of Defense (Reichswehr) of the Weimar Republic.

The reorganizers of this agency were the former First Lt. (Oblt.) FENNER and the Russian professor, NOVOPASCHENNY. FENNER was in Turkey during the World War and was kept in custody there as a German spy. NOVOPASCHENNY had been a professor of mathematics in St. Petersburg and had been obliged to flee from the Soviet Union in 1920.

FENNER was later taken into the German civil service as an official (Beamter) and took charge of the cryptanalytic group. NOVOPASCHENNY directed the Russian section.

In the beginning only military texts were worked on, and a year passed before they entered upon diplomatic systems. A special department for the development of German keys and cryptographic systems was added at the beginning of the war. Since at the beginning of war the interception of enemy transmitting stations was forbidden and contact with foreign communication news agencies was broken off, a new department which occupied itself exclusively with the reception of Allied and neutral transmitters came into being.

The location of Chi was originally in a block on Bendlerstrasse. With the enlargement of the agency, it was removed to Tirpitzufer 80-82. Special sections were already working from the year 1941 in Roonstrasse and in buildings of the German Labor Front (Deutsche

Arbeits Front-DAF) in Fehrbellinerplatz. During RAF attacks on the night of 21-22 November 1943, the offices in Roonstrasse and the central office on the Tirpitzufer were completely burned. The entire Archive was lost. Sections were moved from Roonstrasse to a branch office of the Foreign Office in Podbielskiallee in Dahlem, while the main part of Chi took over the Tourist Trade Building (Haus des Fremdenverkehrs) in Potsdamerstrasse, 56a. Under these conditions cryptanalysis could be resumed only after many weeks of settling down. None of the offices suffered additional damage in any of the following attacks of the Anglo-Americans. Only on 3 February 1945 were a few office areas damaged or destroyed by bomb hit.

Suddenly on 12 March 1943 came the order for the immediate shifting of Chi to Halle on the Saale. The entire effects of Chi together with the personnel attached were transported in two large supply trains to Halle. The first transport took place on 14 March, the second on the 19th. Chi was housed in the buildings of the Army Communications School (Heeres-Nachrichten-Schule) and shortly thereafter resumed its work. With the advance of the Allied offensive into central Germany, the position in Halle also became untenable. Prien on the Chiemsee was chosen as the new alternate location. On 4 April an advance section left for Prien to look after the billets and supplies. The removal was planned this time also in two parties. The first party, consisting of the cryptanalytic group and part of the technical department, left for Prien in a supply train on 12 April. The rest of Chi was to follow in the next few days. But this remnant was overtaken by the Allies. The supply train with the first group proceeded on through Falkenhain, Dresden, the Protectorate [of Bohemia], Linz, and Selzthal to Salzburg. Due to the bombing

there, the train could proceed no further. Arrival in Werfen was on 27 April. On the following day an advance guard was sent to Prien in order to make contact with the advance guard from Halle. At the beginning of May the Americans entered Werfen. A short time previously, all classified material of Chi in Werfen had been burned. The train with the personnel remained under American guard in Werfen until 28 May and was then taken to Rosenheim in Bavaria.

Nothing further is known with regard to the fate of the various out-stations of Chi.

II. Functions

Only the functions of Chi in the late years of the war will be mentioned here.

These functions fell into four main groups:

1. Practical cryptanalysis
2. Combatting of agents
3. Development of keys for the Wehrmacht
4. Interception of Allied and neutral transmitters and news agencies.

Re 1: When Chi began, the cryptographic systems of foreign armies particularly were cryptanalyzed. When war broke out, this work was taken over by the Signal Communication Branch of the Chief of Army Equipment and Commander of the Replacement Army (Nachrichten-betriebsabteilung des Chef der Heeresrüstung und Befehlshaber des Ersatzheeres -- NBA/Ch d Rüst und BdE). After this only diplomatic systems of the various countries were worked on by Chi.

Re 2: Combatting of enemy agents and of the Maquis was carried out in agreement with the Signal Communication Branch of the Army High Command (NBA/OKH) and the head of the Protective Guard of the National Socialist Party, German Security Main Office (Reichsführer Schutzstaffel/Reichssicherheitshauptamt -- RFSS-RSHA). Here the

instructions of the exiled governments to their agents in the combat area of the homeland were decrypted and read.

Re 3: The development of German keys and cryptographic systems kept pace with the cryptanalytic successes with the systems of foreign countries. There was also a development of cryptographic systems on a purely analytic-mathematical basis.

Re 4: The intercepted reports of foreign communications news agencies were to serve essentially as aids to cryptanalysis.

The results of decryption were forwarded in the so-called VM's (Verlässliche Nachrichten-Reliable Information) to the chiefs of the separate components of the Wehrmacht [Army, Navy, Air], the General Staff, the RSHA, and when necessary to other Government offices for information and orientation. Chi achieved many very valuable results during the course of the war. The practical evaluation of these results, however, was almost always lacking. The reason for this lay in the disputes concerning proper spheres of competency among the various government offices which were engaged in cryptanalysis and also in the planned sabotage of the evaluation by the personnel of the Archive.

III. Organization

Until January 1945 Chi's chain of command was, from an organizational standpoint, as follows: Chi was under the Armed Forces Communication Group (Amtsgruppe Wehrmachtnachrichten Verbindungen-Ag/WNV). The Ag/WNV was directly subordinate to the Commander of the Signal Troops (Kommandeur der Nachrichtentruppen).

Until 20 July 1944 the Commander of the Signal Troops was General FELIGIEBEL while Generalleutnant THIELE (formerly German Military Attaché in Washington) was the Chief of Ag/WNV. After 20 July FELIGIEBEL was replaced by THIELE. But as Generalleutant

THIELE was involved in the assassination attempt, he was removed and, like his predecessor, General FELLGIEBEL, was liquidated by the Nazis. General PRAUN thereupon became the Chief of the Signal Troops, and Generalleutnant GIMMLER became the Chief of Ag/WNV. The Head of Chi at the beginning of the war was Major, later Oberstleutnant KEMPF, who was succeeded in 1943 by Oberst Hans KETTLER. Oberst KETTLER remained the Head of Chi until 1 April 45. His successor, however, hardly made an appearance. The Head of Chi was entrusted with the direction of all official matters pertaining to the Agency. All reports went through him. He was not, however, responsible for the discipline of the officers, officials, soldiers, or employees assigned. The Agency was divided into several Groups. These Groups were as follows:

Group I: Major METTIG. Identification and registry of all foreign stations and traffic.

Group II: Oblt. SEIFERT. Combatting agents.

Group III: Obstlt. KAEHLER. Interception of foreign transmitters and agencies.

Group IV: Min. Rat FEMNER. Practical cryptanalysis of various countries.

Group V: Oberstlt. von KALCKSTEIN. Schematic presentation of the decrypted reports and the forwarding to the government offices.

Group Z: Hptm. GETTRITZ, later Major LOBER. Personnel questions and paymaster.

In January 1945 this organization was altered. The work remained the same while the designations of the groups and the sections were different. But the new organization could not correctly adjust itself. Among themselves, the personnel of Chi retained their old designations.

The 1945 plan was somewhat as follows:

Main Group A, Major METTIG, Group I: Hptm. GROTZ (replaced METTIG)
" II: Oblt. SEIFERT
" III: Oberstlt. KAEHLER
IV: Reg. Rat HUETTENHAIN (development of German cryptographic systems)

Main Group B, Min.Rat FENNER, " V: Min.Rat WENDLAND (decryptment of various countries)
" VI: ?
" VII: Oberstlt. von KALCKSTEIN

The most important of all groups by far was Group IV (or V according to the reorganization) under Min. Rat FENNER. In it was accomplished the principal work of cryptanalysis and decryption.

Group IV (V) was further organized into separate sections, which were numbered and which, for the most part, worked on different countries. Material received and not yet successfully analyzed was sent through the Registry to the various section heads, who then gave it to the individuals in charge of the cryptanalysis.

The Sections of Group IV: The Sections here are named according to their heads, since the actual numerical designations are not remembered.

Ober Reg.Rat ROHEN---USA, Great Britain, British Empire.

Ober Reg.Rat MÜLLER---France (Vichy and De Gaulle), Switzerland.

Ang. NOVOPASCHENNY---USSR.

Ober Reg.Rat RAFFL---Italy (Royalist and Fascist).

Reg.Rat KIEFER---Spain, Portugal, South America.

Reg.Rat LOCKER---Turkey, Iran.

Min.Rat SEYFFERT---Greece, Vatican.

Reg.Rat ROTTER---Bulgaria.

Major LENSCHAU---Roumania.

Oblt. AMLER---Japan, China.

be.B. BERND---Poland, French Maquis.

Reg.Rat WEVERINCK---Sweden, Norway, Denmark.

Min.Rat WENDLAND---Yugoslavia, Croatia.

Wm. SCHÄDEL---Archive.

After the total destruction of the Archive on 22 November 1943, it was restored on 14 February 1944. It was directly under the head of Group IV, Min. Rat FENNER. As a certain similarity in purpose arose in Group X, under Oberstlt. von KALCKSTEIN, it was transferred in October 1944 to Group X. After the reorganization it was designated VII b. The plan was to have the Archive directly under the Head of Chi as Special Section 8.

Cross-connections with Other Government Offices

OKW/Chi was not the only cryptanalytic agency in Germany.

The Foreign Office also had at its disposal a large amount of cryptanalytic paraphanalia. The director was Ges. PASCHKE. The RSHA-SD had an excellent department for decryption. The RSHA also directed a large part of the active espionage in other countries. The Head of this department in the RSHA was SS-Brigadeführer SCHELLENBERG.

The Forschungsamt of the Air Force had subordinated to it the decryption of the systems of the Allied Air Forces. OKM/IV SKL worked on naval systems. The Signal Communication Branch of the Army High Command (NAB/OKH) decrypted the foreign military documents (particularly Army and operations). Close connections among all these officers was maintained by the assigned liaison officers.

Interchange of communications with the Foreign Office remained proportionately small.

With RSHA, on the other hand, there was a far-reaching co-operation. Not only were valuable reports forwarded from Chi to RSHA, but similar reports were received by Chi from RSHA. RSHA had in particular an excellent out-station in Budapest which was able to obtain the most valuable material by all sorts of methods (corruption, extortion, etc.).

The remaining Government offices worked more or less independently.

IV. Method of Work

1. Source Material: The material for Chi was obtained from various sources.

The main sources were the telegrams of the different Fixed Radio Intercept Stations (Feste Nachrichtenaufklärungstellen-FNAST). Such intercept statinns were scattered throughout Europe. Among the best known were Lörrach, Münster, Lauf, Montpellier, Treuenbrietzen, Husum, Brussels, etc. All foreign telegrams were intercepted in these intercept stations. Whenever possible the decryption was carried out on the spot. Otherwise, the telegrams were forwarded to Berlin to the cryptanalytic office concerned.

The reports of the military attachés were a further source of information for Chi. These, however, were for the most part in plain text and were only of use as assistance for cryptanalysis.

Agents often rendered great service to Chi. Telegrams were either stolen at the various embassies and agencies, or the pertinent code of a foreign power was made available to Germany. Group III of Chi looked after the efficient orientation of Chi by copying almost completely all official radio transmissions and news agency reports.

And finally, rich material was assembled through the cross-connections with other Government offices and with those Governments who were friendly to or allied to Germany.

2. Work in the Individual Groups: Group I (old system): Group I (Major MEITIG) worked on the line nets of foreign countries, that is to say, they noted the radio-telegraphic communications of the different governments with their foreign

representatives. In this work, which was carried out according to diagrams and by card index, the following data were noted: point of origin and receiving station, frequency, call number and type of system used. With the help of the fixed call numbers and the frequency, the telegram could be immediately forwarded to the proper section of Group IV for decryption. Group I also had connections with the various fixed radio intercept stations.

Group II: Oblt SEIFERT together with the Signal Communication Branch of the Army High Command was responsible for the combatting of enemy agents. The work of this group comprised an active and a passive role. On the active side, enemy agents were discovered by means of agents provacateurs and then executed. The passive side consisted of the evaluation or decryption of (intercepted) enemy agent reports. Group II very seldom made an appearance. Moreover, it was disbursed into countless out-stations. One of the headquarters of this group was located in Prague, where it watched over the Czech Nationalists.

Group III: The third group had its offices in Fehrbellinerplatz. Here, with the latest technical advances, such as the magnetophone, the reports of the various broadcasting stations and the communiqués of the large news agencies were received, evaluated, and deposited each day by a large number of well-trained personnel in the so-called Chi-Reports (Chi-Nachrichten). These Chi-Reports contained about 50 typewritten pages of all the important reports of military, political, and economic life. A brief press review was also added. These Chi-Reports were TOP SECRET. Only the Head of Chi, the Head of Group X, von KALCKSTEIN, and the Head of the Archive received them. Further dissemination of the reports or of single items was forbidden

under pain of death. In spite of this, the content of most was known to practically the entire Agency. This can be attributed to the well-organized spreading by word of mouth by members of Group III.

Group IV: Group IV under Min. Rat FENNER, the founder of Chi, formed the core of Chi. Here the work of other groups, which were more or less only preparatory work for cryptanalysis, was brought to completion. In this group also was the most intellectually worthwhile material.

The daily in-coming material went through the Central Registry to Registry IV whence it was forwarded to the different section heads. Work of decryption then began in the sections. Some of the specialists were appointed for removing additives. The actual decryptment then took place with the help of code books. These were either worked out in laborious detail or had by some chance fallen into German hands either in part or whole. Upon completion of the decryption, the telegrams, or as they were now called, the "VM's," were placed before the section head. It was then his task to decide whether a VM was important enough to be forwarded to other offices. If so, it was sent back to Registry IV where it was given a number and logged. After this, all VM's went to the Archive. A political evaluation was made there and the material was carded. The Archive then gave the VM to various Government and Wehrmacht offices through Group X.

The following report can be made on the work of the various sections.

Ober Reg. Rat ROHEN -- USA, Great Britain, Ireland, British Empire:

The Section was composed of a large number of persons who were of only average ability. The results were correspondingly only average.

The reports of the Americans were for the most part reports on public opinion in the various countries. Chi was best informed as to the opinion of the American Ambassador in Switzerland, HARRISON. The instructions of the USA for the policy toward France and DE GAULLE were also known. In them was constantly expressed the deep mistrust of the Americans as to the re-establishment of France, as well as the personal aversion of ROOSEVELT to DE GAULLE. The USA, moreover, was making efforts to infiltrate France by means of economic agents and to annex its economic sphere. In addition, the telegrams of the State Department were concerned with the situation in the Mediterranean and the policy of the USA in the Near East.

Almost none of the English systems was decrypted. Only a few of the older ones were read. These were used only for traffic between England and the various colonies. They were for the most part telegrams dealing with economic matters.

Ober Reg. Rat MÜLLER---France, Switzerland:

This section had a few good minds which obtained some very worthwhile results.

The decrypted French telegrams were of great importance to the German Wehrmacht. Particularly so were the reports of the French representative in Moscow. Since not a single Russian system was decrypted, attention was given to the foreign representatives in Moscow. The French representative there was constantly forwarding his Government very good information regarding the policy of the USSR and the situation in Poland. Germany was kept well informed of the situation in Chunking, China by the French Ambassador there. Valuable reports also came from other capitals through decryption. This was particularly true for

Algiers and later Paris. France had good diplomatic material at its disposal in every case. The telegrams of Swiss representatives were sometimes very interesting. OKW was thus informed by the reports of the Swiss Ambassador in Helsinki of the peace moves in Finland on the part of the Allies. Other good reports were sent by the Swiss Ambassador in Budapest concerning the peace intentions of HORTHY and by the Ambassador in Tokio on the military-political situation.

Angst. NOVOPASCHENNY -- Russia:

The Russian Section wasunable to show any success whatsoever. The systems of the USSR proved to be completely secure against cryptanalysis.

Ober Reg. Rat RAFFL---Italy:

The Italian telegrams were of only minor significance, particularly in the last two years of war.

Reg. Rat KIEFER---Spain, Portugal, South America:

Reg. Rat KIEFER likewise had fairly good personnel at his disposal, so that the results obtained by him were also quite good.

None of the Spanish systems could be read.

Portugal had a very good representative in Japan who constantly sent his Government excellent information concerning the situation there. The Ambassador in Berlin furnished good intelligence to OKW regarding matters within Germany.

Of the South American countries, special mention should be made of Brazil. Through the representatives of this country, Berlin had accurate information on all matters pertaining to South America and in particular to the policy of the USA in these countries. The Mexican Ambassador in Moscow was likewise a good source of information on the USSR.

Reg. Rat LOCKER---Turkey:

The Turkish systems were completely solved by the Germans so that every telegram in Berlin as well as in Ankara was read. Thus the Turkish representatives abroad and the Turkish Foreign Ministry became the best source of information for the Nazis. Since Turkey possesses very good diplomats, their reports were correspondingly valuable. Germany was by this means for the most part kept informed of the intentions and policy of the United Nations. In the same way ROOSEVELT's program for Yalta was known in advance in Berlin. The internal condition of France and the attitude toward France of the various governments were constantly reported correctly by Turkey. All the negotiations of Turkey with the Allies regarding Turkey's entrance into the war and later regarding the discontinuance of exporting chromium to Germany were known. It is impossible to over-emphasize the advantage the Nazis received from their knowledge of the Turkish systems. The decrypted telegrams were also of recent date and had not become old or passé in any way.

Min. Rat SEYFFERT---Greece, Vatican:

Most of the Greek systems were also read. These telegrams dealt largely with the relation of the various great powers to the Greek problem, the attitude of the USSR to the border questions, the Dardanelles, etc. The Vatican telegrams were read only with great difficulty. They seldom contained matters of great political interest but dealt mostly with social or cultural matters.

Reg. Rat ROTTER---Bulgaria:

The Bulgarian telegrams from Moscow formed, with the Turkish, the best known source for knowledge of Russian policy. The Russian Commissar for External Affairs was very communicative to

the Bulgarian representative regarding the postwar treatment of the Balkan states and the objectives which the USSR would pursue there. In this way Germany was steadily in possession of current information regarding the plan for a Balkan Federation and the Macedonian problem.

Major LENSCHAU---Roumania:

This Section consisted of only three persons and, as a result, was unable to report any significant results. The reports from Berlin on conditions in Germany were the only matters of interest.

Oblt. ADLER---Japan, China:

The few Japanese diplomats who were still abroad were very active. This applied especially to the representatives in Dublin and Stockholm. Every week from Dublin accurate reports were sent out to Japan regarding living conditions and the interior political situation of Great Britain. There were in addition detailed production statistics of war industries. Stockholm reported condtions on the rest of the continent, while the representative in Ankara watched the Near East and Middle Orient, with particular regard to conditions in India.

be. B. BERND---Poland:

This was one of the best sections in OKW. With a fairly large number of personnel, there were throughout it excellent minds which were drawn upon by the section head for the most difficult tasks.

The decrypted telegrams were concerned, on the one hand, with the Polish-USSR situation and, on the other hand, with intelligence for the French Maquis. OKW was thus currently informed of the various phases of proceedings between the Allies and Poland on the one hand, and of Poland and the USSR on the

other by means of the reports of the Polish Government to its Warsaw outpost. The Government proposals, Text "A" and "B" to STALIN on the Russian-Polish situation were also known word for word in Berlin. Good information on the differences between the Allies and the USSR regarding the Polish problem came almost exclusively from this source.

Report has already been made with regard to the activity of this section in combatting the French Maquis.

Reg. Rat WEVERINCK---Scandinavia:

Results almost zero.

Min. Rat WENDLAND---Croatia, Yugoslavia:

The telegrams displayed only the strong opposition within the Yugoslav groups. On the other hand, the reports from Moscow were often worthwhile.

Wm. SCHAEDEL---Archive:

The Archive had the first political evaluation of all the reports from Chi. Here the reports were kept and card-indexed. The Archive was in contact with the various government offices for which they provided information. The head of the Archive was obliged to furnish the Chief of Ag/WNV with a situation report several times a week, and he also directed the weekly orientation of the section heads. The 1944 material was shifted to Lauf in February 1945. The material for the remainder of the year 1945 was taken to Halle and from there by train to Werfen. Whether some of this still exists is not known. There has already been a report concerning the activity of the Archive.

Reg. Rat HUETTENHAIN and his Section belonged to Group IV until the reorganization of Chi. Afterward he formed his own group, i.e. Group IV, according to the new system. His Section was employed in the development and testing of cryptographic systems

for the German Wehrmacht. The Section was divided into a technical and an analytical-mathematical sub-section. By means of modern machines the resistance of a system to be employed was tested and the probabilities of its being solved ascertained. The mathematicians were only assigned for setting up the keys. Toward the end, due to the lack of means of communications with the Wehrmacht, only the so-called emergency keys were issued.

Group X: Obstlt. von KALCKSTEIN had under his direction the working out of the VN's and their transmittal to the other offices. The Section worked according to out-moded methods and was able to report almost nothing useful. With the re-organization of the Archive, the practically illusory work of Group X had to be retained for reasons of inner prestige. In order to avoid friction, the Archive with Wm. SCHAEDEL was placed under Group X as an independent Section.

Group Z: Until May, 1944 the head of this Group was Hpt. Frh. von GEITRITZ, an SS-Führer. The new group head was Major LOBER, likewise a fanatical Nazi.

Group Z worked on all personnel matters pertaining to the soldiers and civil service employees. Transfers to the front, new appointments, political superintendence, and classification as to service comprised the principal sphere of work of this Group. Most of the Nazis were located here.

V. Personnel

The personnel of Chi was about 80% antagonistic to the Nazis. Since the majority of the members were familiar with conditions abroad, and were able daily to hear true reports of conditions, etc., they absorbed only a small part of the Nazi propaganda. There were 1500 persons in all employed in Chi.

These were divided somewhat as follows:

Group	I	40
"	II	100
"	III	400
"	IV	500-600
"	X	10
"	Z	20

Officers or officials of officer rank were appointed as heads of the sections and groups. About half of the members of the sections were soldiers and non-commissioned officers and the other half civil service employees, both male and female. As the political position of the members of the military was known, they were almost never promoted. Thus, in the final years, not a single soldier was promoted to officer, and yet these soldiers carried out a service which in other armies would have been done only by staff officers.

From the administrative and disciplinary standpoint, the soldiers were under the First Detachment Company of Staff Headquarters of OKW (1. Kommandierten-Kompanie Stabsqu-OKW). In February 1945 a special operations company of Ag/MNV/Chi was formed which was to make easier the work of members of Chi, but the actual result was just the opposite. By such a degree of militarism the final interest in the matter was destroyed.

Male personnel was recruited almost entirely from lawyers and from professors of philology or mathematics together with a few trades people. In 1938 a few officials were taken over from the Cryptologic Bureau of the Austrian Government.

Even among the heads of the groups and the sections a Nazi was scarely to be found. The entire agency was considered as being completely unfriendly to the Government and was for this reason correspondingly watched. Within Chi Group Z with Major LOBER looked after this.

A brief characterization of the most prominent Chi people:

Oberst KETTLER, Chief of Chi, a trooper by nature and a man who was not sympathetic to the Nazis. A number of times he had protected Chi members who had been denounced to the Gestapo. He was beloved by all.

Major METTIG, militarist, but not particularly Nazi. Due to his capriciousness, he was not well liked.

Min. Rat FENNER, head of Group IV. FENNER is one of the two founders. He was the keenest anti-Nazi in all of Chi. He made no secret of his conviction. In his workroom actual insults against the Nazis could be heard before anyone. FENNER was also an intimate friend of General FELIGIEBEL. At the very end, his position was so shaken that his arrest was expected almost daily. FENNER preferred to accept in his group people with known anti-Nazi sentiments. On the other hand, he was an inveterate admirer of Prussian militarism. He was a thoroughly outstanding character who enjoyed the greatest friendship of all the people in Chi.

Min. Rat WENDLAND who later became the head of the cryptanalysis of foreign countries was also a sharp opponent of the Nazis and the military but was not sufficiently energetic to be able to affect conditions. Very well liked.

Min. Rat SEYFFERT had been formerly in the "Ballhaus" [the location of the Austrian Cryptologic Bureau] in Vienna. He was also a fanatical opponent of the Nazis. He was considered a remarkable specialist for the breaking of codes.

Oberstlt. von KALCKSTEIN, head of Group K, was an outstanding character, a truly unselfish nobleman. He was also an opponent of Nazism although he did not openly declare himself.

Major LOBER, head of Group Z, was the sole Nazi among the group

heads of Chi. As might often be heard, he had been appointed as the confidential man of the SD in Chi. He was detested by everyone for his crafty and cowardly manner. When the agency was removed to Halle, he remained behind in Berlin.

All the remaining section heads, with the exception of Reg. Rat ROTTER, were opponents of National Socialism.

Because of the strong watch kept, any action against the German war machine was almost impossible. A few attempts were soon disclosed and punished by most severe penalties. Only in two of the sections was planned sabotage successful.

Personnel of Chi worked for the most part in complete accord with those over them. This was based on the following circumstances: first of all, the careful superintendence and secondly, the threat of the front. Every man who was not absolutely indispensable (draft deferred) was immediately sent to the front. None of the so anti-Nazi and anti-military men appointed wished to be exposed to this danger. Toward the end of the war, the personnel was united into an alarm unit for the defense of the block of buildings on Bendlerstrasse. But before this plan could be carried out, Chi was moved to Halle.

DocID 6549506

VI. List of Decrypted Systems

The underlined capital of the various countries indicates the center which exchanged cryptographic traffic with its foreign representatives (all names directly following the capital). The line marked with an asterisk represents traffic directly exchanged between the foreign representatives themselves.

Argentina:	Buenos Aires-Lisbon-Mexico-Lima-Washington.
Belgium:	Leopoldville-Algiers-London-Washington.
Brazil:	Rio de Janeiro-Algiers(Paris)-Ankara-Athens-Lisbon-Madrid-Washington-Vatican-Mexico-Lima-Quito-Bern-Rome-Stockholm.
Bulgaria:	Sofia-Berlin-Rome-Zagreb-Budapest-Moscow-Vichy-Ankara-Bern-Lisbon-Bucharest-Bratislava-Stockholm.
Chile:	Santiago-Rio-Washington-Lima-Mexico-Madrid-Ankara-Vatican-Paris.
China:	Chungking-Ankara-Kabul-Paris-Washington.
Ecuador:	Quito-Lima-Lisbon-Washington-Rio de Janeiro.
France:	Algiers(Paris)-Ankara-Athens-Madrid-Washington-Bern-Chungking-Moscow-Brazzaville-Rio-Buenos Aires-Cairo-Mexico-Stockholm. *Brazzaville-Dakar-Chungking-Moscow-Vichy-Berlin-Bucharest-Sofia-Washington-Tokio-Bern.
Greece:	Cairo(Athens)-London-Paris-Washington-Moscow-Rome-Bern-Lisbon-Ankara.
Great Britain:	London-Pretoria-New Delhi-West Point-Jerusalem-Freetown-Gold Coast-Jamaica-Ottawa-Nairobi-Daresalaam-Nicosia.
Iran:	Teheran-Ankara-Paris-London-Moscow-Washington-Bern-Chungking-Lisbon-Cairo.
Ireland:	Dublin-Vatican-Tokio.
Italy:	Rome-Washington-Moscow-Bern-Rio-Buenos Aires-Lisbon-Ankara-Madrid. *Berlin-Tokio-Zagreb-Bucharest-Sofia-Pressburg-Budapest.
Japan:	Tokio-Berlin-Ankara-Dublin-Stockholm-Bucharest-Budapest-Kabul. *Berlin-Vienna-Prague.
Yugoslavia:	London(Cairo)-Paris-Moscow-Athens-Ankara-Bern-Washington. *Bern-Geneva.
Croatia:	Zagreb-Berlin-Budapest-Bucharest-Bratislava-Salo-Helsinki-Vichy-Bern.

Mexico:	Mexico-Paris-Moscow-Washington-Lisbon-Lima-Rio-Buenos Aires-London.
Poland:	London-Warsaw-Jerusalem-Cairo-Istanbul-South America-Grenoble-Paris-Teheran. *Cairo-Jerusalem; Teheran-Cairo.
Portugal:	Lisbon-Ankara-Berlin-Tokio-Washington-Bucharest-Bern-Rio-Buenos Aires-Vatican-Stockholm-Helsinki-Paris-Vichy-Madrid-Budapest.
Roumania:	Bucharest-Bern-Berlin-Budapest-Helsinki-Ankara-Tokio-Vichy-Zagreb.
Turkey:	Ankara with all its foreign representatives.
Uruguay:	Montevideo-Mexico-Paris-Rio-Washington.
Vatican:	Vatican-Bern-Berlin-Budapest-Washington-Bucharest-Lisbon-Rio-Buenos Aires-Bratislava.
Venezuela:	Caracas-Washington-Rio.
United States:	Washington-Algiers(Paris)-Vichy-Bern-Ankara-Athens-Stockholm-Dahidda-Bombay-Moscow-Beirut-Rome-Cape Town-Helsinki-New Delhi-Lisbon-Madrid-Rio-Mexico-Santiago-London-Cairo-Damascus-Leopoldville. *San Sebastian-Madrid; Barcelona-Madrid; Bern-Zürich.

Data pertaining to the systems are pertinent only from the beginning of 1944 to the end of the War.

10 November 1945

MEMORANDUM
ON THE SECRET DIPLOMACY OF 1944/1945

A. Comments

All information came from the Cryptologic Agency of the Armed Forces Communication Group, Armed Forces High Command (OKW/Ag WNV/ Chi). The information concerns telegrams of the most varied Allied and neutral governments. The telegrams are for the most part from the individual foreign ministries to their representatives abroad or vice versa. The material here assembled covers almost without exception the period between February 1944 and April 1945. There is very little information concerning Germany, as this did not belong to Chi's sphere of activity. Only such references are contained as came to Chi indirectly by way of other countries.

B. Policies of Various Countries

1. Abyssinia: Abyssinia was continually seeking to free itself from the earlier dominating influence of France. Efforts were also made by Abyssinia to decrease the influence of England, by which it had been conquered. Thus after negotiations which lasted for months, an agreement was reached at the beginning of December with Great Britain with respect to the retirement of English troops and the reestablishment of Abyssinian command.

On the other side, an increasing dependence upon the USA is apparent. The latter has won considerable influence in the field of economics. The Middle East Trade Commission of the USA gave a considerable amount of attention to Abyssinia. Thus agreements have been reached for a larger supplying of trucks and other means of transportation and shipments have already been made. The influence of the Soviet Union, in spite of original misgivings, has remained small.

DocID 6549506

2. Egypt: Efforts here have also been made to eliminate to a greater degree the influence of Great Britain.

The USA Trade Commission for the Middle East has by its activity determined the economics of Egypt. It has drawn almost all the business connections of Egypt to itself and thereby secured the Egyptian market for the USA. Here also the granting to Egypt of a great deal of surplus American war material secured the new economic ties. The USA also took an active interest in the domestic problems of Egypt. A tendency was shown by the USA to support the demands of the Arab nationals against England. This was apparent in the parley of ROOSEVELT with King FAROUK in November 1943.

But Egypt was primarily the driving force for the formation of the Arab League. The negotiations between King FAROUK and IBN SAUD led to the removal of the mutual distrust. Both kings, of course, originally were afraid that the other would aspire to leadership in the League. Subsequently, unification with the other Arab countries so took place. The question of leadership was kept in the background. The first essential was the actual and complete independence of all Arab countries from European or other foreign influences. This resolution was naturally directed chiefly against Great Britain and France. England was to be forced to surrender her position of control in Egypt and the Red Sea. The most important question, however, in this connection is the matter of Palestine. On this point the members of the League agreed upon a strict opposition to the Jewish immigration policy The proposals suggested by the Emir of Transjordan were rejected by the other members. The position of Great Britain in the Anglo-Egyptian Sudan was also discussed but a decision was postponed. As far as France is concerned. the League demanded the complete independence of Syria and Lebannon and the removal of all special

troops from those areas. The members of the League are very suspicious of General BEYNET. Today, at any rate, Egypt is the leading power in the League and also the driving component in all matters concerning the Near and Middle East. King FAROUK himself is developing great initiative in his policy and shows himself to be little swayed by foreign influences.

3. Albania: The attempts to form a government of its own have had but little succes. Albania has been the bone of contention between the emissaries of TITO and the Greeks. At the time when information was coming in, there were frequently reported persecutions of religious minorities in Albania This was doubtlessly organized by foreign countries so that by the goading of religious feeling they might have a pretext for the annexation of all or a part of Albania. Great Britain could not decide upon the recognition of the Provisional Government of Albania (Feb 45).

4. Argentina: In the foreground of political events stands the hostility between Argentina and the USA. Although the reason given for this hostility would no doubt be the too friendly relations of Argentina with the Axis countries, there were in the background significant economic problems which the US was attempting to solve by political pressure on the Argentine Government.

In this case it was a matter of supplying Argentine meat and grain to the US Army. The USA demanded a considerable lowering of prices. The USA had also demanded a blockade and, if possible, the seizure of German capital. The Argentine Government niether wished nor was able to do this since the economy of the country depended too much upon the German banks (Banco Transatlantico, Banco Germanico, Banco del America del Sud, etc.). It was only when the boycott by the Americans had wrought greater economic damage then the freezing of the German holdings could cause that the Government of Argentina yielded.

The USA also made claims on the Argentine railroads and even demanded a larger share of the stocks for American firms with a sumultaneous reduction in German holdings. The differences were finally settled at the Conference in Mexico City and there mainly through the mediation of Brazil.

As regards domestic politics, it should be noted that the position of Colonel PERON was much stronger than might be supposed from outside.

5. Australia: In spite of many reports to the contrary, Australia shows no tendency to fall away from the British Commonwealth. In reply to confidential hints toward more favorable union with the USA Prime Minister CURTIN and others explained to the USA that such a union could not be considered. Australia is desirous of a close friendship with the USA but wishes to remain in the bosom of the British Commonwealth.

6. Belgium: The telegrams were principally concerned with the economic hardships and the political difficulties arising therefrom. The most burning questions in this connection were those of fuel and food. The Belgian Government attempted all possible advances to the Allies in order to obtain an improvement in conditions. The conclusion of custom agreements with France, Holland, and Luxembourg brought some relief to Belgian economy. During the war the economic contributions of the Belgian Congo to the Allied cause was of great significance. The Belgians complained, however, not infrequently of the smuggling activity of the American generals, particularly as regards whiskey. The transportation system of the Belgian Congo was expanded. The mining of copper was also increased.

7. Brazil: Although Brazil was a country under the authoritarian rule, President VARGAS managed to obtain for Brazil an important place in the Allied camp. By so doing, however, he fell into a certain amount of dependency upon the USA, which became obvious during the visit of Cordell HULL. At the time the two statesmen parted after a not particularly amicable discussion.

Since that time the USA has made efforts to effect a change in the regime in Brazil.

On the other hand, Brazil has taken over the unopposed direction of the South American continent. This was due in large measure to the skill in negotiating of the former Brazilian Foreign Minister ARANHA. This role of leadership was particularly clear at the Conference in Mexico. Here ARANHA was able to have himself made the spokesman for South America and to advocate a change in the policy toward Argentina.

ARANHA retired at the beginning of the present year because of disagreements with President VARGAS on matters of domestic policy.

The intermediary role of Brazil was likewise of importance in the border controversy between Peru and Ecuador.

8. Bulgaria: Shortly after the mysterious death of King BORIS, there were rumors in Sofia circles that BORIS had been refusing to meet the demands of HITLER and for that reason had been put away by the latter. Simultaneously, the first opinions in regard to withdrawal from the war came to the surface. However, only with the cabinet of BOSHILOFF did the change in Bulgarian foreign policy begin. BOSHILOFF had the Anglo-Saxon frame of mind sounded out by his confidential agents in Ankara. The Bulgarians were most severly threatened by the Germans but, in spite of this, these discussions were continued. Bulgarian scientists in particular were given the task of awakening an understanding of the Bulgarian situation outside the country.

Discussions went on for months with the Soviet Union regarding the banning of German ships from the harbor of Verna, the complete withdrawal of the Germans, and the opening of Russian consulates in Verna, Plovdiv, and Pleven. The Russian threats became constantly greater and finally Bulgaria came to an agreement with German which was that German troops be disarmed. Like lightning from a clear sky, thereupon came the Soviet Union's declaration of war on Bulgaria.

Completely taken by surprise, the Bulgarians immediately capitulated on the following day. In the beginning the country was occupied by only a few Russians but the NKVD immediately set up its office in Sofia and got to work. During the ensuing weeks and months, matters of security became steadily worse. The Russian troops were very much to blame for excesses.

The Communist Party was supported by every means and made itself more and more the spokesman of the nation. The Party was only a small minority in predominantly peasant country but by its terrorizing and by the Russian bayonets standing behind it, it achieved a decisive influence upon the Government. It was not long before it became the so-called Fatherland Front which regulated the coming and going of the State Ministers. At the beginning of this year, Bulgaria concluded with Russia a commercial agreement which, according to the Minister of Commerce, completely turned over Bulgarian domestic economy to the Soviet Union.

The terror of expressing an opinion became steadily more acute. Arrests and shootings followed in an entirely uncontrollable degree.

Bulgaria also had strong differences with Portugal, since Portugal for a long time refused to agree to a new Bulgarian Ambassador, thereby wishing to show that it did not recognize as legal the new conditions in Bulgaria. Supported by Russia, Bulgaria today believes that she can again submit her old claims for access to the Aegean. Bulgarian troops occupied Thrace and parts of Macedonia belonging to Greece. The methods of administration there evoked the vigorous and repeated protests of Greece. But with the assurance of Russian help in all these matters, Bulgaria has shown itself firm. Moreover, relations with Greece have reached such a state that a small war may be said to exist between the two countries. Behind these two countries are the silent but powerful protectors, the Soviet Union and Great Britain, so that in the final analysis there is a clash of interest in the Mediterranean.

9. Canada: An extensive economic union with the USA has shown itself in Canada. Whether this extends to the sphere of politics as well could not be stated from the material on hand, but it may be suspected.

10. China: In the field of domestic politics a strong resistance to the authoritarian government of Marshal CHIANG KAI-SHEK has been observed. This resistance has come from the most varied sides. The wife of the Marshal has herself recently shown that she is not in accord with him and has left China for a sojourn of rest on a Brazilian island. The Kuomingtang Party asked for an early convocation of the Kuomingtang, which was then convened in November 1945. But particularly serious are the differences with the Communist Army. A number of attempts at unification under the mediation of the USA have consistently failed, and the fighting has started again between the Communist troops and those of the Government. The foreign policy is largely dependent upon the relations of China to the USA and the Soviet Union. Relations with the USA were impaired for some time due to the personal misunderstandings between CHIANG KAI-SHEK and General STILLWELL. At the demand of CHIANG KAI-SHEK, STILLWELL was recalled and was replaced by General WEDEMEYER. But with the latter also there arose difficulties in the beginning and ROOSEVELT threatened to withdraw American assistance unless China took more interest in the war against Japan rather than in domestic difficulties and personal differences. After long discussions, agreement was finally reached for the demarcation of functions. CHIANG KAI-SHEK, however, retired still more from politics by resigning from the presidency of the executive Yunnan. USSR relations were marked by fear of civil war which had been the fate of the Mongolian People's Republic and of Manchuria. Even thought the Soviets never openly acknowledged the Chinese Communists, their sympathy for them was well known. On the occasion

of the visit to Moscow of the head of the government of the Mongolian People's Republic, Marshal COIBOLSAN, the Chinese Government enjoined its representatives abroad to stress the fact that this territory, even though autonomous, belonged to the Chinese Empire.

Relations with Great Britain and France were much improved.

In the war against Japan, China suffered heavy losses in every section.

The Chinese National Government in Nanking has never played an independent role but was constantly dependent upon orders from Tokio.

11. Denmark: Diplomatic telegrams were not very numerous and were principally concerned with the resistance of the Danish patriots. There were details regarding acts of sabotage and actions against the Danish police. In the reports of the Free Danish representatives, the fear was frequently expressed that the Russians would be able to establish basee on Danish territory. A connection between the Free Danes and the Government in Copenhagen was not indicated in the telegrams.

12. Germany: The evaluation of decrypted telegrams was insufficiently carried out by the German Foreign Office. No case of serviceable and useful evaluation is known. Although the Foreign Office was permeated with National Socialists, they did not know how to draw the necessary conclusions from the in-coming information. As the reports on the German Reich latter became more and more ominous, they still lacked the insight to see that the war might be lost for Germany. They would not, or could not, understand.

The reports of the various foreign representatives in Germany stated the situation fairly correctly. Matters of transportation took up a great deal of the space. Opinion in the Wehrmacht and among the people was also reflected well, but in spite of this the heads of the Foreign Office were remarkably badly informed about the

viewpoints of the Germans. Most of the information dealt with the repetition of rumors which then were not confirmed. Toward the end of the war, reporting suffered as a result of the bad condition of communications and transportation. Conditions in the Balkans and in France were well known in military groups. The Polish Intelligence Service accomplished outstanding work in espionage on the German defense system around the Atlantic Wall. All that is deserving of mention concerning Germany was the prompt reaction to the rumors concerning a coming revolt of Hungary from the Axis.

13. Finland: The Germans were but little informed regarding the efforts toward peace made by the Finns in the year 1943. Decryptment of American telegrams regarding this was not successful until February 1945. The Germans were, however, completely aware of a similar step in the beginning of the year 1944.

The various conversations in Stockholm between PASSIKIVI and Mdm. KOLLONTAY were accurately known in Berlin. At that time, however, the Russian conditions still seemed unacceptable to the Finns. After the break-through of the Mannerheim Line by the Russians in June 1944, new negotiations were begun in Stockholm. At the same moment, RIBBENTROP journeyed to Helsinki and received the promise that Finland would continue to fight if the Germans would send the necessary war material and two divisions. This agreement was reached between RYTI and RIBBENTROP alone without any consultation with the Finnish Parliament. In the meanwhile the Russian offensive spread over and beyond Esthonia thereby cutting off direct contact between Finland and Germany. The war material which had already reached Helsinki was reloaded and sent back to Germany. Under such circumstances, Marshal MANNERHEIM determined to start negotiations for an armistice. No sooner did the Germans learn of this than they sent Field Marshal KEITEL to Helsinki in order to bring final pressure to bear upon the Finns. Officially,

KEITEL came to present the Oak Leaf to be added to MANNERHEIM's Hitlerkreuz (Hitler Cross) but actually he went to threaten the Finns with the bombardment of Helsinki and the occupation of Finland by the Germans. But MANNERHEIM refused to be persuaded and referred to the uncompleted agreement with RYTI. A few days afterward, MANNERHEIM assumed the Presidency. Soon after this the armistice negotiations with the USSR were brought to completion. Conditions, to be sure, were much harder than in February 1944 and were felt by the majority of the Finns to be very oppressive. As a result, the Russians did not exert officially much influence on the domestic politics of the Finns, but General ZDHANOV understood how to press the Russian standpoint with force and consistency. The Finns were anxious to permit the Allied journalists to enter Finland for the purpose of reporting on the situation in Finland, but this was constantly prevented by the Russians.

With regard to the conclusion of an armistice, there was supposed to have been also agreement between MANNERHEIM and King MICHAEL of Roumania, but this theory could not be corroborated by any reliable telegrams.

The breaking off of diplomatic relations with Finland on the part of the USA beginning in June 1944 was received in Finland with sorrow, as sympathy for the USA has always been very great in Finland. Up to the very end the Finns hoped for USA mediation between them and the Soviet Union. For this reason their disappointment over the loss of the support of the USA, although this support was only moral, was great and contributed largely to their quick acceptance of Russian conditions.

14. France: Vichy: Here the opposition of the circle around Marshal PETAIN continued to show itself against German measures. PETAIN resisted the German order that he take up his dwelling in Chateau Rambouillet and it was only after

Ambassador ABETZ had threatened to have him brought there by force and interned there that he gave in. Even then after a short time he feigned illness and returned to Vichy. German governmental circles were exasperated with the "pigheaded old man" and a possible replacement of PETAIN by LAVAL or DARNAND was seriously considered. PETAIN also refused the request of Krug v. NIDDAS that he should deliver a speech against the Allies (with reference to the invasion) and call upon the French for peace and order. After the landing in the south of France, the Germans forced PETAIN to abandon Vichy. The evening before, PETAIN held two conferences, one with the Papal Nuncio and one with the Swiss Ambassador. The Papal Nuncio reported that PETAIN made it clear to him that he now considered himself a prisoner of the Germans and that his official position as Chief of State should be regarded as having been brought to a close. He expressed himself in a similar vein to STUCKI, the Swiss Ambassador. On the following day he was taken away by the Germans.

Vichy no longer pursued any policy of its own during the time of this report. Relations with Japan were, if possible, worse than those with Germany. Mention need only be made to the sudden and complete occupation by the Japanese of all the important points in Indo-China. Vichy exerted no influence on the course of events. Nothing appeared in the reports from France regarding the activities of the other members of the Government, such as LAVAL or HENRIOT, etc. But in every case the weakness of the Vichy Government was emphasized and no one took the Government very seriously. After the invasion in southern France, it was no longer spoken of. PETAIN was greatly liked by all the representatives of foreign governments.

DE GAULLE: The policy of Fighting France during the last years was the policy of General DE GAULLE. The difficult character of the general created problems in his policy. At the beginning

of 1944, the National Liberation Committee was in Algiers. The opposition of the de Gaullists and the Darlanists, which had not entirely died down, was being transferred to GIRAUD. If France wished for success, then her policy must be completely independent. Thus General DE GAULLE. GIRAUD was more for mediations, for at least a loose cooperation with Vichy. Such opposition could not be maintained long and, as a result, GIRAUD was put out and disappeared from political life.

Fighting France had been developed from very small beginnings. It still needed the help of the Allied Powers for its army and for its economy. But the Allied Powers demanded corresponding returns. This DE GAULLE held as incompatible with the honor of France. The critical position of the National Liberation Committee is explained by this dilemma.

In France the USSR sought to win a base in the west. The growth of Communism in all countries appeared to justify this design. France was still unrecognized by any great power. The USSR therefore hastened to recognize France and sent to Algiers BOGOMILOV as Ambassador. France gladly accepted this development of affairs and, indeed, went much farther, concluding an alliance with the Soviet Union. But already in the negotiations of DE GAULLE in Moscow which were leading to the conclusion of the alliance, objections appeared on both sides. France was not willing to sell her freedom and sovereignty for the sake of an alliance. The alliance was almost not signed at all. DE GAULLE and the Russian Foreign Commissar left each other very coolly the evening before the journey. The Russians would not consider the French point of view. In the middle of the night the French chief of state was awakened and the document was signed in the Kremlin. Since that time relations between the two countries have not been so cordial as they had been a short time previously.

France is still a Western nation, a nation of culture, whose mission must be fulfilled in the West and in union with the West.

Relations with Great Britain were also marred by many incidents. It was more than a struggle between DE GAULLE and CHURCHILL. CHURCHILL held before DE GAULLE the assistance of England, whereas DE GAULLE, although he actually spoke of gratitude also talked of national honor and the fact that the re-establishment of France could not take place at the cost of her possessions or her national goods. And so he declined to give the Anglo-Americans bases on Free French territory. Recently, relations between the two great statesmen have improved. CHURCHILL has realized that any attempt to intimidate the iron will of the French general is useless.

Relations with the USA were for a long time marked by the personal antipathy of ROOSEVELT toward DE GAULLE. ROOSEVELT considered DE GAULLE a skilfully disguised dictator with no backing and with the nature of an adventurer who was only out to satisfy his personal ambition. France was given support, it is true, but at the same time as a result of this aid, efforts were made to do as much business as possible. The state of affairs was somewhat improved by the visit of DE GAULLE to ROOSEVELT in the summer of 1944. The two men came closer as human beings but nevertheless their mistrust never disappeared entirely. France had reason for this mistrust, as the policy of the USA was not entirely to her advantage. It was true the two Anglo-Saxon powers had recognized in the meantime the National Liberation Committee as the Provisional Government of French policy, but the USA still wanted to pursue a policy of exploitation. For this purpose, territories ruled by the French on both sides of the Mediterranean were filled with American economic agents who wanted to control all the reconstruction of France or in some

way or other to make a profit from France. As a matter of urgency, the American Ambassador was ordered to manage and make possible the entrance of American businessmen. The Americans had no confidence in the French administration nor the French power. The French were reproached with the fact that only by the help of the Americans were they able to have their own state again at all, that all which the French Army possessed had come from America, etc. This low opinion which prevailed not only in the White House but also among many members of Congress embittered the relations of both countries. The opposition between DE GAULLE and ROOSEVELT was again brought to the surface. In spite of all the assurances, France had not been invited to the Conference at Yalta. It is therefore understandable that DE GAULLE was incensed. The American President proposed a meeting with DE GAULLE in North Africa on his return journey. The reply was that ROOSEVELT would have to visit the head of the French Government in his own capital and not that he should have to travel to meet ROOSEVELT. The meeting therefore did not take place.

France also had difficulties in the Near East. The Governments of Syria and Lebanon both demanded the complete independence which had been promised by France and England. Since France did not now wish to withdraw her troops, fighting started in Damascus which was ended only by an English ultimatum. This was badly received in Paris where it was said that the English had also left troops in countries where independence had been promised. To increase the gravity of the situation was added the action of the English representative in Syria, General SPEAR. SPEAR was then recalled from his post at the request of France.

The Maquis received their directions through the Polish Intelligence Service in London. These directions were decrypted within a few hours in OKW and were known in almost every detail.

Until the invasion they were largely communications with Grenoble and Lyons, which functioned as centers. There were in addition communications to almost every part of France. Espionage was directed in particular against the defenses of the Atlantic Wall. In this respect the Allied intelligence service was eminently successful. The information was forwarded by radio to England. Within the same hour they were known in Berlin. By planned sabotage, i.e., the delaying or falsifying of information, countermeasures of the SS and the Gestapo (SD) were paralyzed.

*14. Greece: In accordance with an agreement among the Allied Powers, Greece belongs to the English sphere of influence. As a result, Greek policy is naturally formed according to the British.

The Russian influence is nevertheless very strong, as has been shown in several instances. The mutiny of the Greek troops in Egypt, for example, was instigated by the Communists. It could be put down only with the help of the British. This is also a first indication that the USSR has not completely waived her claim to the Mediterranean. The subjection and capitulation of Bulgaria raised new questions. Greece demanded restitution of the damages caused by the Bulgarians and the expansion of Greek territory. The first question was answered evasively by the Bulgarians; the second was flatly refused. The Bulgarians made it clear that their troops had to maintain order in Thrace and Macedonia. The Greek Government sent note after note to the Allies and sounded out Moscow but without any special success. Everything remained as before. Bulgaria knew that her claims to the Aegean were supported by the USSR and acted accordingly. There were also quarrels with the followers of the Yugoslav Marshal, TITO. In a resolution of Petritsch, the Macedonians declared

---

* The erroneous numbering of the original report (14. France and similarly 14. Greece) has been retained for the convenience of the reader, should comparison with the original text be desired.

theselves autonomous and elected their own government. Naturally, Greece did not recognize it, since it had been formed under the pressure of TITO. In northern Epirus there followed persecutions of the Greeks by TITO's followers and thereupon an energetic protest by TITO.

But the domestic politics of Greece soon became more important than the differences in foreign politics. At the beginning of December there was begun the battle of the EAM and their fighting organization ELAS against the Government. The reason given for it was the reactionary attitude of the Government toward the Greek resistance movement. There were general strikes, an assemblying of ELAS in Athens, and street fights. The Government was no longer in control. At this moment entered the English. By using every effort, they were able to put down the resistance. CHURCHILL came to Athens. A regency of DAMASKINOS and a government of PLASTIRAS was formed. Throughout the entire fight, reports continued to appear which stated that EAM had Bulgarian weapons and officers, that Bulgarians were actively participating in the fighting, and that TITO had also sent men. A few times there were even reports that a Russian Military Mission was attached to EAM. In any case, the USSR outwardly at least remained entirely neutral and did not once in her press take a stand in regard to events.

In the spring of the year 1945, Greece was still pressing her claim to the Dodecanese Islands.

The question of the regency was arranged only after protracted discussions between King GEORGE and DAMASKINOS. It was agreed that the matter should be determined later by plebiscite.

15. Great Britain: Comparatively little was learned with regard to British policies, as the telegrams of the British Foreign Office could not be read.

England's role in the last years of the war was that of a mediator. CHURCHILL was obliged to be constantly travelling in order to make peace somewhere or other and to preserve the unity of the Allies.

Relations with the USSR can be briefly described: the wish to cooperate with the Russians but mistrust of their imperialistic designs.

The English were and are most vulnerable in the Mediterranean. For this reason they always reacted immediately to any attack in this area.

The English policy regarding Italy consists in winning the Italians as an ally. It was almost always England which pleaded for mitigation or for a milder use of the armistice terms.

As (at that time) a Conservative Government, England naturally supported King PETER of Yugoslavia against his enemy, TITO. PETER's representative was General Draja MICHAILOVICH. But as TITO's partisans became better known in the world and as England was aware that Moscow stood behind TITO, she permitted MICHAILOVICH, but not King PETER, to fall. It was due especially to the personal interference of CHURCHILL that TITO and SHUBASHIC were finally united. According to agreement regarding the division of the sphere of influence, the northern part of Yugoslavia was to come under the Russian influence and the southern and Adriatic under the English. But as the English saw that the Russians were not adhering to this arrangement, their attitude became firmer as was evident in the question of Trieste.

King GEORGE of Greece was also supported by England although his fate will eventually be confided to a plebiscite.

The attitude of England toward Turkey andPoland will be discussed separately in the paragraphs on these countries.

With regard to Germany, England was inclined to adopt a more conciliatory attitude. In this case, it was the influence of church circles which made itself felt particularly.

The point of controversy with the United States was in the economic viewpoint. The interpretation of the Lend Lease Laws lead frequently to disagreements. England has also become somewhat dependent upon the enormous supplies of the USA and, in any case, she must still give up her former position of creditor nation to the United States. Strife was especially vigorous and protracted in regard to oil.

16. Iran: Iran has been occupied by the Allies since 1941. Ever since that time the Iranian Government has been asking for the withdrawal of the Allied Forces, but these requests are always refused because of the Russians. As long as the Russians are in the country, the other powers cannot afford to leave. The Russian troops do not conduct themselves as the representatives of a friendly nation but act like conquerors. The power of the Iranian Government in the Russian zone was absolutely zero. Every movement for the overthrow of the Iranian Government has been supported by Russia. It was the Russians in the autumn of 1944 who called out the workers and incited them in the workers' agitations. A short time previously, the Russian Deputy Foreign Commissar, KAVTARADZE, had been in Teheran and had demanded from the Iranian Government the lease of the northern Iranian oil wells for the Soviet Union. After some deliberation the Iranian Government took the stand that Iran would not grant to anyone her oil concessions for the duration of the war. Quite suddenly after this, workers' demonstrations and tumults were begun under the well-wishing patronage of the Russians. A campaign against the Iranian Government began in the Russian press.

Matters were also lively in the border region near Turkey.

Agitation among the Kurds was renewed which could also be confirmed as being caused by Russian influence. Due to an incident of a religious nature, relations with Turkey were even more strained than they had been as a result of the Russian troop concentration at the Iranian-Turkish border. There has been for some time in Iran an American Advisory Economic Mission under the direction of Dr. MILLSPAUGH. The latter's arrival was distasteful to the Iranian authorities who asked and received his recall by the USA.

17. Italy: The Kingdom: Ever since the end of 1944 negotiations have been carried on by the Italian Government for the long desired agreements. At that time the Allies would not grant them.

Fascist Socialist Republic: Reports showed the complete dependency of this Government upon Germany. In spite of the Fascist Government, the Germans were able to do as they pleased in northern Italy. The Japanese Ambassador in Salo sent detailed reports regarding this. From October 1944 he was silent regarding the Fascist Government. There continued to exist only a constantly changing ministry and command, as no one any longer wished to be at the head of the Government and everyone tried to create an alibi for himself.

18. Japan: The reports from Tokio showed the domestic policies and the military situation. The foreign diplomats particularly bemoaned their poor accomodations and food in their emergency quarters. The rations ordered were seldom received. There were no servants and no fuel and as there was little contact with the Japanese Foreign Office, the latter hardly bothered with the situation of the foreign diplomats.

Relations with the Soviet Union were correct but cool. Japan was anxious to maintain neutrality with Russia as long as possible For this reason they agreed to the Russian demands in the fishing agreement and to the exploitation of the mineral resources on island of Sachalin.

In the autumn of 1944 they almost went to war with Portugal over the island of Timor, which the Japanese were unwilling to evacuate. In the spring of 1945 incidents occurred on Macao (murder of Japanese employees) which rendered conditions still worse.

The feeling among the people became more and more that of war-weariness. Only a fanatical patriotism kept the people going. The first signs of an anti-military tendency already showed themselves. The war in the Pacific and in China had resulted in endless losses. In spite of this, the Foreign Office continued to send out new reports of Japanese victories over the Allies. The evil spirit of Japan was OSHIMA, her Ambassador in Berlin, who in almost the final stage of the war reported to Tokio that new weapons were about to be introduced and that the final victory of Germany was imminent. The Japanese Ambassador in Ankara was detailed to watch the Near and Middle East, while the one in Stockholm was to observe the European Allies. Valuable reports were sent to the Ambassador in Stockholm from the Japanese General Consulate in Dublin.

19. Yugoslavia: The messages reflected the conflict between King PETER and TITO. The consignment of northern Yugoslavia to the Russian sphere of interest resulted in the stronger support of TITO by the English. English military missions came to TITO, weapons were supplied, etc., but TITO carried out such a policy of extermination against his political enemies that the English later somewhat withdrew themselves from him. In Yugoslavia reigned unadulterated terror. Reports from the different missions mention hundreds of thousands being murdered by the Communists TITO's notorious hatred of the Serbs, the resistance of the Croatian and Serbian peasants to TITO, the attitude of MACEK and other south Slav party leaders were also mentioned.

Yugoslavia also laid claim to Greek Macedonia where matters had already come to war on a small scale. TITO also wanted the release of Yugoslav gold from the Allies and a part of the Italian Navy. The second demand, however, was not granted. Through the mediation of England, TITO and SHUBASHIC came to an agreement at the beginning of 1945. TITO's demands were: for the time being the King should not enter the country and must submit to a future decision by the people; a Regency Council would be formed which would take over the functions of the King; TITO would be the Minister President and SHUBASHIC the Foreign Minister. Such demands were recieved very unwillingly by the Government-in-Exile but England urged their acceptance.

20. Croatia: Although Croatia was also a vassal state of Germany, there was still a great deal of resistance to be overcome in this country. The leader, Ante PAVELIČ, frequently showed himself extremely deaf to German demands. For this reason, during the period of this report, he would no longer authorize the use of Croatian troops outside the country. In October 1944 the Minister of War VOKIČ, and the Commander-in-Chief of the Croatian Army had to be removed, since the Germans had discovered that these two men had been preparing the defection of Croatia from Germany to the Allies. The real leader of Croatia continued to be MAČEK, the leader of the Peasant Party. At that time he was considered an enemy of TITO and through him the Croatian people hoped for freedom from HITLER as well as from TITO. In the country itself there was great unrest. The partisans fought many times in the immediate vicinity of the capital. After the VOKIČ affair, the Germans sent an SS General (BERGER) to Croatia. He was to be the contact man for the German Government, i.e., to forward the orders from Berlin to PAVELIČ.

Relations with Hungary were also not particularly good, since countless questions of minorities and the Hungarian pressure for an outlet in the Adriatic stood in the way of an agreement.

21. Mexico: Mexico is the exponent of Moscow in the Western hemisphere. The role played in Mexico City by the Russian Ambassador OUMANSKY can thus be understood. He transmitted the suggestions from the USSR which would then be carried out by the Mexican Government. When one time (summer 1944) some of the newspapers revealed this letter-carrying role of OUMANSKY, the whole affair was hushed up by the Mexican Government and they begged pardon of the Russian diplomat for the attacks of unqualified elements against the representative of the great and friendly Soviet Union! In accordance with the wishes of OUMANSKY, the proposal was made at the Conference in Mexico City to break off the relations of Latin America with Franco Spain and a similar recommendation was introduced in the final agreement at Chapultepec.

The Mexican Foreign Minister, PADILLA, was a man of great ability and had good power of organization. He alone, with the exception of the Brazilian Foreign Minister, called together and directed the whole conference.

22. Norway: When the Red Army marched into northern Norway, there was great fear among the Norwegians that the Russians would be able to settle themselves there in order to obtain an ice-free passage to the Atlantic. The Norwegian Minister, LIE, is said to have carried on negotiations on this account in Moscow. The particulars of these negotiations have not been learned.

A number of reports were sent regarding the deportation of Oslo students to Denmark and Germany. Other powers (Sweden, Denmark, the Vatican) later interested themselves in the fate of the students and professors after which the majority were released by the Germans.

23. Austria: The following was the proposal of ROOSEVELT at the Yalta Conference for the re-establishment of Austria: the boundaries of 1937 but with the German southern Tirol, free harbor in Trieste, economic unity or at least close commercial relations with the areas on the Danube.

24. Poland: For a long time Poland was the child of grief of the Allies. It began when Russia announced her claim to the Curzon Line. The Polish Government refused this as being unrealizable. But STALIN stood firm on this and suggested for this purpose a far-reaching extension of territory at the expense of Germany. The Poles were unwilling to listen to such a proposal since it would have given them much too large a German minority in their new state. In the summer of 1944, CHURCHILL flew to Moscow to settle this problem. He succeeded in having the Polish Premier, MIKOLAJCZYK, called to Moscow. There a note from the Soviet Union with the Russian demands was given him by VISHINSKY: the demand for land to the Curzon Line and the offer in exchange of German territory up to the Oder and Neisse. MIKOLAJCZYK could not come to a decision alone and returned to London to obtain the advice of his ministers. The Russian plan was there refused and a counter proposal worked out, "Text A." It ran largely as follows: the Curzon Line, but with Lemberg and Vilna remaining to Poland; in the west the old borders whith the inclusion of East Prussia and Danzig; a revival of the Government on a broader basis, in accordance with Russian wish; co-operation of the Secret Home Army with the Red Army. A reply of Moscow to this proposal is not known. The USSR, however, was constantly making new requests for the expansion of the Government by an amalgamation of the two Governments in London and Lublin. Meanwhile the Warsaw uprising had broken out with the

knowledge and will of the Red Army. However, it was unable to advance across the suburb Praga, and the Vistula. Allied planes were supposed to bring weapons, food, and medicine and for this purpose the Allies had to obtain permission from the Russians for their squadrons to fly over the country. But they did not grant this permission. The calls for help from Warsaw became increasingly urgent and despairing. Daily, MIKOLAJCZYK promised the deputy Prime Minister at home that on the following day the promised help would come, but it was not until 18 September that more than 700 Americans could drop their aid over beleaguered Warsaw. It was, moreover, the only time. On the third of October the Polish Home Army was obliged to capitulate. The stubbornness of the Russians had prevented timely assistance. From London at that time came directions for the underground army maintained by her against Germany and Russia. The war against Germany was supposed to continue undisturbed but preparations were also to be made for an eventual war against the expected Russian occupation forces. OLUCKI, the leader of the Secret Army, was entrusted with this mission. In any case, relations between Warsaw and London were to be maintained. The weapons were to be concealed and the army disbanded provisionally down to the individual cadre. Co-operation with the Russians must not lead to any disclosure of the organization.

The standpoint of CHURCHILL in the matter of the Polish borders: the Curzon Line, but with Vilna remaining to Poland, while Lemberg should go to the Soviet Union; decision on the western borders was to be left for the peace conference. Moreover, MIKOLAJCZYK was left in the lurch by CHURCHILL. For CHURCHILL, the question hinged on not allowing Allied unity in battle against Germany to be broken. To this end he sacrificed Poland.

ROOSEVELT took a similar standpoint except that he would keep Lemberg for Poland and give Vilna to Russia.

Polish-Americans in the USA sought once more to improve relations with the USSR. A Polish Catholic priest was sent to Moscow and he spoke with STALIN. But in the end this step was also without success. After all their efforts had been frustrated, the Exile Cabinet in London became quiet.

In the meantime Poland had become almost entirely occupied by the Russians. The Government in Lublin excercised its de facto power over a large section of Poland.

The Polish Intelligence Service was one of the best in the Allied camp. There were excellent connections to the Maquis in France. There were also very good observation posts in Istanbul and others in Teheran, Jerusalem, and South America.

The Russian occupation in Poland made itself unpleasantly noticeable. First of all, the large estates were divided. Arrests became entirly arbitrary and were for the most part carried out on a large scale. Machinery was moved to the east. The order for the expulsion of all Germans from Polish soil was prepared. The joy at first experienced by Poland over the course of the liberation was short-lived. On the whole, it could be said that Russia has proved herself no ally of the Polish people.

25. Portugal: At the beginning of February talk was heard of a union of generals and high government officials who had made the democratization of the country their duty. President CARMONA was to be forced to bring an end to the dictatorship of SALAZAR. But these efforts were opposed to the use of physical force of any type.

At the beginning of 1945 negotiations of a military type were begun with the Allies regarding the eventual participation of Portugal in the war against Japan. But entrance into the war continues to be postponed.

26. Roumania: Even in the beginning of the year 1944 efforts for peace were in progress in Roumanian circles. At first it was Prince STIRBEY who was to probe into the conditions for an armistice. ANTONESCU was aware of this move of STIRBEY but did not identify himself with it. He maintained that the time for a break from Germany had not yet come. Meanwhile, there had been a conference of the former /Communist/ Party leaders. MANIU and BRATIANU were at the head of this. They forwarded a sort of ultimatum to ANTONESCU for a break with Germany and offered their services in the armistice negotiations. ANTONESCU still could not make up his mind. Shortly before the beginning of the Russian offensive against Roumania, ANTONESCU went again to HITLER who reproached him bitterly for the back-sliding of the Roumanians. ANTONESCU requested help, but this HITLER was unable to promise. Shortly afterward the overthrow of the Government of King MICHAEL occurred which came as a complete surprise to the Germans. The truce with the Soviet Union was the cause of various incidents. One result was the taking away by the Russians from the Roumanians who had held them interned the greater part of the German Embassy personnel and military representation. Contrary to agreement the Russians also confiscated the Merchant Marine, Navy and Danubian fleet. Roumania through the intercession of Turkey raised a protest to the Western Allies. The imprisoned Germans were later to be taken to Odessa.

The Russian troops were subsequently equipped in Roumania with Roumanian materiel. The occupation powers did not mix officially in matters of domestic politics, but allowed their wishes to be made known through the Communists. As this method showed too little result, the Deputy Foreign Commissar, VISHINSKY, visited Roumania and remained there for several weeks. He demanded a

stronger representation of Communists in the Government and proposed a commercial aggreement with the USSR.

The old problem of Siebenbürgen has not been settled during the past year. Even during the time of their common fighting on the side of HITLER, there were many disagreements between Bucharest and Budapest regarding the national minority of Transylvania. The Roumanians complained of disrespect of the most basic rights, such as instruction in the Roumanian language, prohibition of Roumanian preachers, etc. There were episodes in Klausenburg and Hermannstadt but these were able to be settled. In the armistice conditions the USSR made it clear that it would recommend the return of Siebenbürgen to Roumania.

27. Saudi Arabia: King IBN SAUD was very much impressed by his conference with President ROOSEVELT (December 1943). He had the feeling that ROOSEVELT was really his "big brother." He found great understanding in ROOSEVELT for Arab questions.

One result of this conference was the granting of oil concessions to USA companies in the Arab oil fields.

IBN SAUD placed himself on the side of the Arab League, particularly in regard to the question of Palestine and Syria. In a personal message to President ROOSEVELT he stated his viewpoint on the Palestinian question. He was hostile toward any Jewish immigration. He desired the complete independence of Syria and Lebanon as soon as possible.

28. Sweden: At the time of the invasion, there was in Sweden a strong political trend which supported a so-called political action against the Germans in Norway. The idea was to come to the assistance of the Norwegian patriots with a comparatively large volunteer corps. The plan was shattered by the Swedish Government in order that neutrality might be maintained.

29. Switzerland: Switzerland joined with the Vatican at the end of 1944 for the saving of the remaining Hungarian Jews. The Swiss Ambassador in Berlin sent reports regularly on the severe destruction caused by air attacks on the German capital. The Swiss representative in Tokio also sent similar reports. For the rest, the Swiss were chiefly dedicated to representing the interests of different countries and to the carrying out of humanitarian arrangements and measures.

30. Slovakia: Influential circles and the highest officers of the Slovakian armed forces were involved in the great partisan uprising of October 1944. The Slovaks had for a long time struggled against the extermination of their Jews; and, when German pressure became too strong, they sought at least to lessen the number of sacrifices by humanitarian arrangements. An absolute adherent of Germany was the propaganda chief, SAN MACH, who was also HIMLER's trusted agent.

31. Soviet Union: The foreign policy of the USSR consists of two parts: (1) the widening of their own position of power, (2) security of this position at any price. These two principles often, as it were, collide with one another.

The Soviet Union proceeded against the small vassal states of Germany by the system of "sugar plums and the whip." The texts of the various armistice agreements are known. Outwardly they indicate a certain degree of moderation. But in each one of them can be found an article which carries with it the possibility of much more extensive demands. After a while the agreements and arrangements, usually of an economic nature, are settled so that the economy of the country involved is turned over completely to the Soviets. Such agreements were concluded with Bulgaria, Roumania, Hungary, Finland and Poland.

For the security of its territory the Soviet Union will permit on her borders only Governments who are inclined to be "friendly." Here may be cited the long negotiations which eventually led to the formation of the new Polish Government. The Russians had some objections to almost every on e of the ministers proposed. Finally only the people for BERNT and OSUBKA-MORAVSKI were left. GROZA played the same role in Roumania, while in Bulagaria by far the most important man is Georgi DIMITROFF. In regard to Germany, Russia will aim for a complete policy of extermination.

It was the suggestion of the Russians that all Germans be expelled from the eastern regions occupied by Russians and Poles. Czechoslovakia in agreement with the Soviets is following the same policy. A Russian People's Commissar (MIKOYAN or MOLOTOV) told the Bulgarian Minister of Commerce that it was STALIN's idea to wipe out the Germans by every means available. The struggle for secure borders is the chief motive of Russian policy. Above all, the USSR is trying to acquire bases. The desire for an open sea has not died out. Russia presses its claims to the Dardanelles, to ice-free harbors on the Arctic, the Baltic Sea, and the Pacific Ocean. The Caucasian borders must be secured but most important of all is a wide glacis in Europe. It is for this reason that Russia has forced Poland into German territory, and has thrust itself into the Hungarian lowland by the annexation of the Carpatho-Ukraine. Russia has its own vassals as did HITLER: Poland, Hungary, Roumania, and Yugoslavia. At the Yalta Conference STALIN asked for the entire Danube area, with the exception of Austria, as his zone of influence. According to the statements of Russian officials, TITO is only a marshal of the Soviet Union. In all its dealings the Soviet Union is filled with deep mistrust of the Western Allies. In Moscow they have not forgotten the words which leading men once directed against the USSR.

This mistrust destroys to a great degree any basis for candid negotiations on equal terms. The Communist Parties in the various countries function as outlying posts of the Soviet Union. The Party propaganda is adapted to local conditions. It also takes on a nationalist tendency. An example of this is Palestine. Here the Communists are found on both sides. Intensified Communistic propaganda is found particularly in Arab countries. This was expanded during the course of the last year to include almost all of the colonial countries. It should be noticed in this respect that the Communists, in spite of the dissolution of the Comintern still have their center, their spiritual and material center, in Moscow.

32. Spain: As regards domestic politics, discussions have been heard relating to the re-establishment of the monarchy. In the autumn of 1944 there occurred on the Spanish-French border a number of episodes with the Republicans which almost led to the breaking off of diplomatic relations with France. The following of the former Republican leader does not appear to be very large in Spain itself. The people do not want any political changes. They want peace, order, work, and bread.

Since April and May of 1944 foreign politics have been under the influence of England. Great Britain demanded the discontinuance of tungsten shipments to Germany and stronger control over German agents. On 2 May an agreement in this regard was reached. But the allies still frequently complain of the activity of German agents, especially in Tangiers. Relations with the South American countries have grown worse. In these countries there is a tendency to break off relations with Spain. The attitude to the USA is formal and cool.

33. South Africa: In South Africa there exists great opposition between the old established residents and those who have recently immigrated. There was open dissension with India because of the immigration laws. For this reason both countries boycotted each other over wide areas.

34. Syria and Lebanon: After the occupation of Syria and Lebanon by England and the Fighting French in 1941, complete independence was guaranteed both these countries. There followed open conflict with France which was unwilling to withdraw its Troupes Speciales. The reason advanced was that these countries were not capable at that time of guaranteeing full peace and order and, moreover, that English troops were still in these countries. Contributing to the poisoning of the atmosphere was the conduct of the British General, General SPEARS, particularly his much discussed speech on conditions in the Near East. Upon the demand of France he was recalled. At the beginning of this year there were renewed incidents caused by Syrian students. Conditions in Syria and Lebanon are one of the principal reasons for a certain malaise in the relations between France and Great Britain. In Syria also Communist propaganda is directed against the mandate authorities, in this case France. The Syrians distrust France and believe that she might not keep her promise. They regard her retention of French troops in the country as proof of this.

***

After the breakthrough of the Russians into the Hungarian lowlands in the autumn of 1944, HORTHY determined once more to attempt a break with the Germans. He sent out over the radio the proclamation announcing an armistice with Russia. But the Putsch was badly prepared. SS units in Budapest immediately seized the castle, the transmitter and other important buildings. The Hungarian Crossed Arrows Society (Pfeilkreuzler) arose and formed a new Government of SZALASSI under the protection of the Germans. Hungary had now become a real vassal state. But even the Government of SZALASSI could not halt the advance.

***One page (18) is missing in the photostatic copy of the manuscript. The document continues on page 19 with a discussion of Hungary.

HORTHY was taken first to a castle in Austria and then to Bavaria. SZALASSI with his government fled first to Steinamenger and Odenburg, later to Austria. The prompt entry of the Germans is explained in both instances by the good work of the SS intelligence service in Budapest, but also to the cleverness of VEESEMEYER, later Ambassador in Hungary, who was the expert in revolutions and their preparation.

37. The Vatican: Very little was learned of the political steps of the Vatican, since the Vatican had all its more important reports brought in by courier.

It used its influence particularly for humane warfare. Thus it frequently interceded in the conduct of the war for one or another noted prisoner, for the protection or sparing of cities valuable for their cultural history such as Rome, Florence, Pisa, Budapest, etc. Together with other neutrals, it took steps in Budapest and Pressburg for the saving of the remaining Jews.

38. The United States: In world politics the USA has taken the place formerly occupied by Great Britain. The United States is striving to come out of this war without becoming general creditor. It is for this reason that the USA has secured everywhere its position from the economic point of view. American economic missions can be found in all parts of the world.

The war in Europe was not popular in America. For this reason ROOSEVELT made every effort to end it as soon as possible and then to fall upon the arch enemy, Japan. To achieve this end, ROOSEVELT was prepared to make great sacrifices, as the example of Poland shows. From the military point of view there was an extraordinarily lavish use of materiel, but this was eventually repaid by the fact that victory was thereby the more speedily gained. ROOSEVELT came to Yalta with a fixed plan. Above all things he wanted to secure the future peace of the world through the United Nations. The idea among the Russians only called forth a steady unexpected resistance, par-

ticularly in the question of vetoes. Discussions lasting for hours were necessary between STALIN and ROOSEVELT, which greatly exhausted the President who was already suffering severely, in order to move STALIN to accept a conciliatory solution. These must have been the dramatic moments at the Yalta Conference. Another point of ROOSEVELT's program was the abolition of spheres of influence, since he believed that in this way Europe would only be divided into various blocks which would be distrustful of each other and later become warring nations. But ROOSEVELT was unsuccessful in this idea. STALIN insisted upon a girdle of safety for the USSR and even CHURCHILL did not support the American President. There were also long discussions as to whether to permit France to be on the Control Commission for Germany. Russia demanded a colossal amount of reparations. The establishment of a Reparations Commission in Moscow was decided upon, which should investigate all these matters. The Polish question was sacrificed to the Russians. Still more than in Teheran was there evidence of opposition among the Allies themselves. But in America could be noticed an ever increasing criticism of the Soviet Union. The original enthusiasm had died down and a strong disillusionment has taken its place.

In regard to England, ROOSEVELT sought to secure himself by the demand for bases. In this way he had a pawn in his hand which more than compensated for the probable non-payment of war debts. The United States also sought to secure itself in this manner with France. But with the stubborn DE GAULLE they did not succeed. At the first allusions of this sort made by the Americans, DE GAULLE pronounced Dakar a French main base of the first rank and made known a huge building program for this port.

In regard to Germany, the matter of chief importance was its elimination as a dangerous industrial competitor. The Morgenthau plan makes this clear. Various senators have pointed out and explained that the elimination of Germany from industry would not be to the advantage of world economy.

In the rest of the world, too, the influence of the Americans has grown. Representatives of the USA can be found as economic agents, financial and political advisors.

The effort for economic world supremacy appears today as the highest objective of American policy. Through the gigantic supplies of Lend Lease, the whole world has become the debtor of the United States.

In addition to its economic tasks, America at the side of Great Britain has likewise taken over the role of mediator. Today the USA is called upon almost as often as Great Britain to act as mediator.

The secret of the atom bomb was kept in a masterful way. In all Germany no one had the slightest suspicion of the advances in atomic technology in America. It was only known that the Americans were slightly in advance of the Germans. So far as is known at the present time, no mention of the atom bomb was made at the Yalta Conference.

American policy is lacking somewhat the rigid lines of English or French policy and for this very reason has been more adaptable to the purposes of the moment and thereby very changeable.

Certainly at the present moment America is the first victor of the Second World War and the leading power of the world.

DocID 6549506

August 1945

FRANCE AND THE WORLD
1944/1945

Preface

The following information has been gleaned from the reports of diplomatic representatives of various governments in various countries. Whenever possible, the source and approximate date have been added in connection with every significant report. The majority of the information comes from the period between January 1944 and April 1945. These reports were all copied by the intercept stations of the German Wehrmacht, after which they were decrypted by OKW/Chi in Berlin.

The United States and France

The situation between these two powers has been largely determined by the personal attitude of President ROOSEVELT toward General DE GAULLE. For this reason, the facts given in this report have already been altered since the personal policy of the deceased President no longer forms, as previously, the policy of the USA. They are of use only to reach an understanding of that epoch. ROOSEVELT's opinion of DE GAULLE was constantly marked by deep suspicion. In DE GAULLE, ROOSEVELT saw a dictator (Turk. Amb. in Wash. in a message to his Government, May 44). This idea was given further support by the uncompromising attitude of DE GAULLE with regard to the demands of the Allies and the PFI. Further, ROOSEVELT feared a close union of France with the Soviet Union. Originally, DE GAULLE was no more than a disturbing element to the Americans in their North African policy. By taking possession of North Africa, America hoped to acquire a definite interest and permanent base there for itself (State Dept.-London,

Feb 44). For this reason the USA counted particularly upon the support of DARLAN and later of GIRAUD. The group around ROOSEVELT already knew at that time DE GAULLE would sharply oppose such demands. It was only due to the pressure of England that DE GAULLE was supported by the Americans. Added to this political antipathy of ROOSEVELT was a purely personal dislike which was only to a small degree removed by the visit of DE GAULLE to ROOSEVELT in July 1944. (Greek Minister in Wash.-Cairo, Aug 44).

The attitude of the USA can be described in general as follows: France is a sinking nation. (Turk. Amb. Wash.-Ank., Mar 44). The weak rule of France in Africa should be succeeded by an economic penetration of Africa with American capital. This penetration had to be strengthened by the formation of USA bases on the African continent. (Wash.-Cairo, Mar-Oct 44). In order to carry through their objectives, the USA employed the following means: the Liberation Committee in London, later Algiers, was not to be recognized for as long as possible. In this manner the prestige of France in the world and the authority of her domestic government would be weakened (Turk. Amb. in Wash. -Ank., Jan 44) Recognition took place only after the Soviet Union had appointed an official representative, BOGOMILOV, and together with England had demanded the recognition. (Greek Amb. in Wash.-London; Turk. Amb. in Moscow-Ank., May 44). ROOSEVELT was thoroughly convinced that the government of DE GAULLE was not supported by the will of the French people (State Dept.-Algiers, Sep 44). Another means was the making of France dependent upon Lend Lease. By Lend Lease the economy of France could be permanently controlled and ruled. France was to be brought around to preparation for American demands by supplying her with the needs for her economic life. (Turk. Amb. in Wash.-Ank., May 44). The reports of the American Trade

Commission for North Africa and the Commission for the Middle East show the extraordinary interest which the USA has in North Africa. By means of the economic wedge, efforts will be made for the USA to secure her road to the Near and Middle East where the USA would like to obtain authoritative influence. (Turk., Greek, and French Amb. in Wash. 44). After the liberation of France, France itself will also be included in this plan. For this reason, an order was issued to the Headquarters of the American forces in France that entry permits be given to American businessmen, industrialists, etc., (State Dept.-Paris, Oct 44). The non-admission of France to the various conferences formed and continues to form one of the main bases of the American policy toward France. In the USA the idea of a dependent France is systematically cultivated (Turk. Amb. in Wash.-Ank., Feb 45). As the Americans look at it, France should be a liberated and not a unified nation (State Dept.-Athens, Mar 45). Actually, the United States was afraid of the establishment of French power and a strengthening of international prestige as a result of France's taking part in such discussions (Turk. Amb. in Wash.-Ank., Jan 45). At the same time, America is afraid of co-operation between France and the Soviet Union in the international field. In the matter of bases, the State Department attempted only veiled advances, generally in the form of press articles and books or through various senators. The most vital point for the USA was Dakar. The French countermeasure, namely the defining of Dakar as a French naval base, was very badly received in the USA (Port. Minister in Wash.-Lisbon, Apr 45). The Government of the USA believes the rebuilding of France to be impossible so long as the old parties and party leaders urge on their system (State Dept.-Paris, Dec 44).

Decomposition of the French Empire from within will not be unwelcome. The reports of the American representative in France regarding the unrest in Morocco are constantly against France.

In the Syrian questions, America wishes to remain more in the background where her influence there will be felt chiefly through the Middle East Trade Commission.

As long as Vichy possessed control of North Africa, the USA was represented there. Through this alliance the goal to make an economic annexation of North Africa was rendered easier. The question of ROOSEVELT's visit to Paris after the Yalta Conference became a difficult moment of tension in mutual relations. The refusal of DE GAULLE to meet the American President in Algiers on his return to Washington was interpreted in the worst possible light by ROOSEVELT. He remarked to one of his friends that he would not visit a man whom the USA and England had only recognized a few months previously as head of a liberated country, especially since France was no more than a beggar among nations (Greek Amb. in Wash.-Athens, Mar 45).

The conclusion of the treaty between France and the Soviet Union in December 1944 was observed with grave suspicion in the USA. The Secretary of State, STETTINIUS, instructed all foreign representatives to discover whether any secret article might be contained in this treaty (Wash.-to all, Dec 44).

Great Britain-France

The attitude of Great Britain toward France is a much more positive one than that of the USA. DE GAULLE as a person is not greatly liked in England but he is highly respected (Greek Amb. in London-Cairo, Mar 44). England has no interest whatsoever in the French Empire (Turk. Amb. in London-Ank., May 44). In the diplomatic field there is but one point of dispute between London

and Paris and that is the Near East, Syria, and Lebanon. England in this case is concerned with fulfilling her promise to the inhabitants of the two mandates. By so doing, the safety of her roads of communication to Mossul and India will be assured (Turk. Amb. in London-Ank., Feb 45). The British Foreign Office notified its representatives in Beirut and Damascus to be extremely considerate of all the patriotic feelings of the French people and to assist the French to accomplish their departure and removal of troops following the recognition of independence. The complaints of General SPEAR against the policy of the French mandate were not sanctioned by the Foreign Office (Greek Amb. in London-Athens, Feb 45; Foreign Office-Nicosi-(Cyprus), Feb 45). England will, however, insist unconditionally upon the total independence of both the Levantine Governments (Turk. Amb. in London-Ank., Dec 44).

Soviet Union-France

The Soviet Union regards France as a valuable ally (Vishinski to the Bulgarian rep., Mar 45). The Soviet Union is trying in every way to increase her influence in France (Turk. Amb. in Moscow-Ank., Mar 44). In order to win the confidence of France, the Soviet Union has as far as possible steadily supported the demands of France. A significant advance was the recognition of France by the Soviet Union and particularly the renewing of diplomatic relations. The French Communists were ordered by Moscow to support DE GAULLE (Bulg. Amb. in Moscow-Sofia, Jun 44). One objective of the Soviet Union is to have in France an ally in the Mediterranean (Greek Amb. in Moscow-Cairo, Nov 44). Nevertheless the penetration of France by the Communistic ideology has not been forgotten (Polish rep. in Istanbul-London, Jul 44). In the Levantine countries increasing Russian

propaganda is noticeable. (Polish rep. in Jerusalem-London, Jun-Dec 44).

Germany-France

The three Great Powers are all in agreement that France should be given only the smallest possible sphere of influence and occupation in Germany. France had too small a part in the war to be allowed to play an important role in Germany (ROOSEVELT's thesis at the Yalta Conference). The creation of a Rhine or Ruhr Government as demanded by France is especially opposed by the USA. France would thereby obtain great control of the German economic potential. Great Britain also expressed itself at Yalta as opposed to this plan. On the other hand, France should receive far-reaching concessions in the form of German materiel for covering the costs of reconstruction. This would also relieve both the USA and Great Britain (Turk. Amb. in London-Ank., Mar 45).